

Before the
Federal Communications Commission
Washington D.C. 20554

In the Matter of)	
)	
Telspan, Inc.)	File No.: TC _____
Application Under Section 214)	
Of the Communications Act of 1934,)	
)	

ATTACHMENT 1 TO THE
APPLICATION

Telspan, Inc., a California corporation (“Telspan”), by its attorneys and pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. 214, hereby submits the following Attachment 1 to its Application for Authority to Provide International Facilities-Based and Resold Services to the United Mexican States and such other Foreign Points as authorized by the Commission

In support for its request for authority, Telspan submits the following information pursuant to Section 63.18 of the Commission’s Rules, 47 C.F.R. 63.18.

1. Question 9

In response to Question 9 of the Application, Telspan respectfully requests streamlined processing of this Application pursuant to section 63.12 of the Commission’s Rules. 47 C.F.R. 63.12. The Application qualifies for streamlined processing because, as noted below, the United Mexican States (“Mexico”) is a WTO Member country and Telspan qualifies for a presumption of non-dominance under 47 C.F.R. Section 63.10(a)(3).

2. Questions 11

(a) In response to Question 11 of the Application, and in response to Section 63.18(i), Telspan is the assignee under that certain asset purchase agreement with David Neier, as Chapter 11 Trustee of Telscape International (“Telscape”) and its affiliated debtors pursuant to which Telspan has the right to acquire Telscape’s 49% ownership interest in Telereunion S.A. de C.V. (“Telereunion”). Pursuant to that transaction, upon its closing, Telspan will be affiliated with Telereunion in Mexico. Telspan is not affiliated with any other foreign carriers in Mexico or in any other nation.

(b) In response to Section 63.18(j), Telspan does not seek to provide international telecommunications service to any destination where: (1) Telspan is a foreign carrier in that county; (2) Telspan controls a foreign carrier in that country; (3)

any entity that owns more than a 25% interest in Telspan, or controls Telspan, controls a foreign carrier in that country; or (4) two or more parties own, in the aggregate, more than 25% of Telspan and are parties to, or the beneficiaries of, a contractual relationship that affects the provision or marketing of international basic telecommunication services in the United States.

(c) In response to Section 63.18(k), according to the World Trade Organization, Mexico has been a member of the WTO since January 1, 1995. See www.wto.org.

(d) In response to Section 63.18(l), Telspan's affiliate, Telereunion, lacks 50% market share in the international transport and the local access markets in Mexico. Prior to 1988, Telefonos de Mexico ("TelMex") was a monopoly controlled by the Mexican government. However, starting in the late 1980's and early 1990's, the Mexican government began privatizing TelMex. Since that time, other companies have begun to break into the market, however, TelMex continues to maintain a majority market control. According to information provided by the Mexican Telecommunications Commission ("COFETEL") on its internet site, 22 companies hold concessions to provide international long distance services in Mexico. See www.cofetel.gob.mx. Pursuant to its 2002 annual report (see, www.telmex.com), TelMex estimates that its has a 73% market share of the domestic long distant telephone calls and a 65% market share of the international telephone calls. With respect to local telephone calls, TelMex again has a dominate presence due to the fact that is controls a 35% market share. The other dominant entities in the Mexican telecommunications industry and their respective market percentages are Allestra & Avantel (25%), Protel & Miditel (3%) and Marcatel (2%). It is estimated that Telereunion has less than a 2% market share. Based on these market share percentages, Telspan should presumptively be classified as non-dominant.

(e) Further, and in response to Section 63.18(m), in its Public Notice released on February 19, 2003, the Commission issued its revised list of foreign telecommunication carriers that are presumed to possess market power in foreign telecommunications markets. Pursuant to that list, TelMex is presumed to possess market power in the United Mexican States. Thus, pursuant to section 63.10(a)(3) of the Commission's Rules, 47 C.F.R. 63.10(a)(3), Telspan should be classified as a non-dominant carrier in its provision of international services on all routes.

3. Question 15.

(a) In response to Section 63.18(d), Telspan has not previously received Section 214 authority from the Commission.

(b) In response to Section 63.18(e)(3), Telspan is applying for authority to operate as a facilities based carrier pursuant to the terms and conditions of Section 63.18(e)(1), of the Commission's Rules, 47 C.F.R. 63.18(e)(1) and as a resale carrier pursuant to the terms and conditions of Section 63.18(e)(2) of the Commission's Rules, 47 C.F.R. 63.18(e)(2). As noted above, Telspan has the right to acquire certain assets

from Telscape. These assets include certain POPS and bridges for international telephony. Telspan seeks authorization to utilize these assets for international telecommunications with the United Mexican States as well as for serving telephone minutes sold in the United States and Mexico. Telspan certifies that it will comply with the terms and conditions contained in Section 63.21 and Section 63.22 and/or Section 63.23. Telspan is not applying for authority to acquire facilities or to provide services not covered by paragraphs 63.18(e)(1) or 63.18(e)(2).

(c) In response to Section 63.18(g), Telspan will use previously authorized facilities to provide the services requested by the Application. Consequently, Telspan is categorically excluded from environmental assessment pursuant to Section 1.1306 of the Commission's Rules. 47 C.F.R. 1.1306.

Wherefore, Telspan respectfully requests that the Commission grant it authority to provide international telecommunications services on a facilities and resale basis pursuant to Section 214 of the Communications Act of 1934, as amended.

Respectfully submitted,

Telspan, Inc.

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